

**RESIDUAL GAP LOAN PROGRAM**

Program Description	The Residual Gap Loan (“RGL”) provides low-cost Agency funds to cover the financing gap associated with the high cost of constructing affordable rental projects. This program is for tax-credit projects that use both CalHFA construction and CalHFA permanent financing.
Qualifications	<ul style="list-style-type: none"> • For profit, non-profit or public agency sponsors • Eligible developments shall be new construction projects with tax-exempt CalHFA construction financing and a CalHFA permanent loan. • The CalHFA permanent loan may not be less than \$2,000,000.
Loan Amount	\$5,000 per unit up to a maximum loan amount of \$500,000
Fees (subject to change)	None
Rate & Terms (subject to change)	<p>Interest Rate: 3%</p> <ul style="list-style-type: none"> • Payments: Residual receipts payments in an amount that is proportional to the amount of total residual receipt debt. • Term: The combined term of the CalHFA construction and the CalHFA permanent loan • Need: Should surplus sources of funds exist at conversion from construction to permanent, the amount of the RGL will be reduced and the amount of the Agency’s permanent loan will remain unchanged.
Subordinate Financing	The CalHFA RGL will be subordinate to HCD’s MHP loan and to other residual receipt debt with loan amounts larger than the Agency’s RGL.
Prepayment	The RGL principal balance and all deferred interest is due upon the payment-in-full of the CalHFA permanent loan.
Questions	<p>Questions regarding the RGL program can be directed to CalHFA’s Multifamily Programs Division:</p> <ul style="list-style-type: none"> • Laura Whittall-Scherfee, Chief, Multifamily Programs • P.O. Box 4034, Sacramento, CA 95812 • Phone: 800.736.2432 or direct at 916.327.2588 • Email addresses: lwhittall-scherfee@calhfa.ca.gov

IMPORTANT DISCLOSURE INFORMATION:

The information provided in this program description is for guidance only. While we have taken care to provide accurate information, we cannot cover every circumstance nor program nuance. This program description is subject to change from time to time without prior notice. CalHFA does not discriminate on the basis of disability in employment or in the admission and access to its programs or activities.